

SAN YSIDRO - PUBLIC FACILITIES FINANCING PLAN

General

The PROGRESS GUIDE AND GENERAL PLAN (General Plan) for the City of San Diego recommends the division of the City into planning areas which are designated as Urbanized, Planned Urbanizing and Future Urbanizing areas. Planned Urbanizing areas consist of newly developing communities; Future Urbanizing areas include land which is presently undeveloped. The San Ysidro area is an Urbanized area. Urbanized areas include the central portion of San Diego as well as the remaining older sections of the city.

This document constitutes the first Public Facilities Financing Plan for the San Ysidro Community.

Development Forecast and Analysis

The San Ysidro Community, totalling approximately 1800 acres, is expected to develop in accordance with the Community Plan adopted by Council in September 1990. Currently, San Ysidro contains approximately 6,500 dwelling units with a population of approximately 23,000 persons. An analysis of projected development and using the draft Community Plan as a guide, indicates that over the next twenty years, additional development will take place in the following categories:

<u>Use</u>	<u>Estimated Development</u>
Residential	1,750 Dwelling Units
Commercial/Industrial	226 acres

Periodic Revision

To ensure that this program maintains its viability, this plan will be periodically revised to include, but not necessarily be limited to, Council changes to the Capital Improvements Program and the Community Plan.

FINANCING STRATEGY

The City of San Diego has at its disposal a wide variety of potential funding sources for financing public facilities. A portion of the funding for the needed facilities will be provided as a part of the subdivision process by developers and by impact fees. Impact fees and some of the other potential methods for financing public facilities are described below:

1. Impact fees (DIF) - Impact fees are a method whereby the impact of new development upon the infrastructure is measured and a fee system developed and imposed on developers to mitigate the impact. The impact fees are collected at the time of issuance of individual building permits. Funds so collected are deposited in a special interest bearing account which retains all such monies for use in the community in which they were collected. As sufficient funds are collected, the City proceeds with a construction program, in order of priority. This is one of the financing methods recommended for San Ysidro.

2. TRANSNET (Proposition A), Proposition 111 - TRANSNET (Proposition A), new gas tax revenues (Proposition 111), and other programs such as a state-local partnership program may provide some funds for community transportation projects. These funds will be allocated annually and may finance a portion of the long range capital needs for transportation improvements in San Ysidro in the future.

3. Assessment Districts - Special assessment financing, using 1913/1915 Assessment Acts or a Mello-Roos District could be used as a supplementary or alternative method of financing some facilities. The Mello-Roos District requires a 2/3 vote for passage, and other assessment districts require the support of the community.

4. General Obligation Bond Issues - Prior to the late 1960's, bond issues were considered the most appropriate method of funding many types of public facilities. These require voter approval. A general obligation bond issue has been recommended by the City Manager to meet community fire and library needs.

5. Annual Allocation - In the years prior to the passage of Proposition 13, the City was able to respond to community facility needs by using a portion of the sales tax revenue to support the capital improvement program. This has not been possible for some time. However, if other revenues were increased, annual allocations could again be used to fund some capital facilities. This is a recommended method of funding some park and recreation facilities and transportation improvements.

6. Facilities Benefit Assessment (FBA) - This method of financing, used exclusively in Planned Urbanizing Communities, spreads costs fairly and equally and follows the procedures specified in City Council Ordinance O-15318 of August 25, 1980. However, this method cannot be used in Urbanized areas such as San Ysidro.

General Assumptions and Conditions

In connection with the application of the above methods of financing, the following general assumptions and conditions would apply:

1. Developers would be required to provide facilities normally provided within the subdivision process as a condition of subdivision approval, including traffic signals.
2. Abutting property owners are responsible for frontage improvements such as sidewalks, curbs and gutters.

3. Police and Public works facilities are considered part of a broader City-wide need and as such, will be addressed separately in the overall financing strategy of City needs that is to be developed.
4. The DEVELOPMENT IMPACT FEE would be paid by the developer as a condition of issuance of building permits.
5. DEVELOPMENT IMPACT FEE funds collected would be placed in a trust account providing interest earnings for the community area.
6. A developer or group of developers can propose to build or improve a specific facility identified in the Capital Improvements Program and, upon City Council approval, enter into an agreement to provide the facility.

DEVELOPMENT IMPACT FEE

DETERMINATION

Background

The San Ysidro Community Plan Area is about 70% developed. Thus, the majority of the required public improvements will have to be provided through special funding mechanisms. In late 1987, staff developed and recommended impact fees for 28 urbanized communities. The City Council adopted the recommended fees (DIF), including those for the San Ysidro Community Plan Area, to mitigate the impact of development on public facilities. Since the community is mostly built-out, the fees will provide only a portion of the financing needed for the facilities.

All undeveloped or underdeveloped parcels are subject to the DIF. Monies collected are placed in City interest accruing accounts, usable only for capital improvements in the San Ysidro Community.

Distribution of Project Costs

Development of the actual charge to be imposed by the DIF involves determining the extent or degree to which each type of development generates a demand for, or receives benefit from the various public facilities involved. For example, all development generates vehicular traffic and thus, on an equitable basis, should share in the cost of transportation projects.

Fire Facilities

The Fire Station portion of the fee relates to the cost of fire stations providing fire protection services to both residential and non-residential establishments within the community. Residential impact fees are based on the average cost per dwelling unit. For commercial and industrial development, an average cost per 1,000 square feet of building area was used.

Libraries

Library needs are based on population which is derived from the number of dwelling units estimated by staff. Therefore, only residential developments are charged a DIF for a library.

Park and Recreation

Park and recreation needs have traditionally been based on population derived from the number of dwelling units in the community. The recently adopted Council Policy 600-17, adopted in November of 1989, provides for the equitable contribution of funds by both residential and non-residential development to park and recreation facilities. However, no data is currently available to support the spread of park and recreation facilities costs to industrial and commercial users in San Ysidro; therefore, these costs are attributed only to residential users. Future revisions of this financing plan may include a different cost distribution.

Transportation

There is a clear relationship between the use of transportation facilities and the generation of traffic trips based upon land use. In the report "San Diego Traffic Generators," authored by CalTrans and SANDAG, the traffic trips generated by various classes of use are detailed. This report summarizes data collected at major regional traffic generators. Traffic counts taken at each facility are related to various characteristics of the facility such as to size, number of employees, floor area, parking spaces, or number of persons. The report distinguishes between the average daily trips (ADTs) generated by a single-family dwelling and a multi-family dwelling. For impact fee purposes, a single type of residential development was assumed for San Ysidro (and all other urbanized communities). The residential portion of the impact fee reflects use of an average daily trip (ADT) factor of 7 as a basis for determining the rate. A considerable range has been found for commercial and industrial developments depending on the character and use of the property.

Non-residential land uses typically generated between 100 to 900 average daily trips per acre. For non-residential development in the San Ysidro Community, average daily trips were used.

Development Impact Fee Determination

Development Impact Fees were determined for the various categories of needed public facilities on the basis of total amount of development at community plan build-out and on the basis of all additional public facilities needed at community plan build-out. The impact fee base

includes the projects or portions of projects that require City funding shown in Table 2.

Fire

The Fire Department has identified the fire station serving San Ysidro as needing replacement/expansion. As previously discussed, all development benefits from fire protection and thus is expected to participate in the fire portion of the DIF. Using the total amount of development, both residential and non-residential, the resulting impact fee is \$137 per residential dwelling unit and \$72 per thousand square feet of non-residential development. This was determined by using the concept of "Equivalent Dwelling Unit" (EDU), with residential dwelling units equal to one EDU each, commercial development calculated at ten EDUs per acre and industrial development at eight EDUs per acre. With 8,201 residential units, 261 commercial acres and 205 industrial acres at buildout, it is estimated there will be 12,451 EDUs in the San Ysidro community to share the \$1.7 million fire facility requirements.

Library

Based upon General Plan standards and a forecast of total population in San Ysidro at buildout, it was determined that a 10,000 sq. ft. replacement for an existing 4,089 sq. ft. branch library in the community will be required. Allocating total library requirements only to residential property results in a library impact fee of \$439 per dwelling unit. This was calculated by dividing total library requirements of \$3.6 million by the residential dwelling units at buildout of 8,201.

Park and Recreation

The Park and Recreation Department has identified a number of projects which will be needed in the San Ysidro Community at buildout. Allocating total park and recreation costs of \$19.9 million only to the residential development at buildout of 8,201 units results in an impact fee of \$2,427 per dwelling unit.

Transportation

Using the approved land use intensity and trip generation rates, the total number of trips at community plan build-out is estimated to be 292,091. An analysis of the required City funded street improvements, totalling \$20.15 million, indicates the cost per average daily trip for transportation facilities is \$69 per trip (and \$483/dwelling unit) to be paid by all future development. The fee per dwelling unit was calculated using the average daily trip factor of seven, as previously explained.

Combined Fees

The resulting impact fees for San Ysidro are as follows:

RESIDENTIAL PROPERTY					COMM/INDUST (3)	
Trans	Fire	Park	Library	(2) Total	Trans	Fire
\$ Per EDU (1)		\$ Per EDU (1)		Res. \$/EDU	\$/Trip	\$/1000 sq. ft. of GBA
483	137	2,427	439	3,486	69	72

(1) Each residential unit is equal to 1 Equivalent Dwelling Unit (EDU).

(2) Residential fees include the sum of transportation, fire, park and library.

(3) Commercial and industrial fees represent the sum of transportation and fire.